

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2020-263-E

Cherokee County Cogeneration Partners, LLC	)	
	)	
Complainant,	)	
	)	
v.	)	<b>NOTICE REGARDING</b>
	)	<b>LEGALLY ENFORCEABLE</b>
	)	<b>OBLIGATION ELECTION</b>
Duke Energy Progress, LLC and Duke	)	
Energy Carolinas, LLC,	)	
	)	
Respondents.	)	

In this Commission’s Order No. 2021-604 issued on August 27, 2021 (the “Order”) in the above-referenced Docket, the Commission required Cherokee to notify DEC and this Commission, within seven (7) business days, whether “Cherokee chooses the avoided cost rate, using the methodology approved by the Commission, as of the date Cherokee established the LEO, or the date of delivery following its 2012 PPA term, January 1, 2021.” (Ordering Provision No. 5). Accordingly, Cherokee chooses the calculation of the avoided cost rate as of the date of the LEO, *i.e.*, that rate which is “based upon the avoided cost rate methodology determined and approved by the Commission and existing on September 17, 2018....” (Ordering Provision No. 3).

As set forth in the concurrently filed Cherokee Petition for Rehearing or Reconsideration, Cherokee requests that this Commission clarify that such avoided cost is \$110 per kW-year, inclusive of start up costs (\$ 90 per kW-year with start up costs paid separately), consistent with Mr. Strunk’s testimony—the only avoided cost rate developed in accordance with this Commission’s orders and rules in effect at the time Cherokee established the LEO. Cherokee further notes that DEC’s revised rates in its Late Filed Exhibit for October 2018 (revised to reflect a 10 year tolling agreement), actually yield a higher rate of \$ 119 kW-year, exclusive of start up costs, as

recalculated by Cherokee witness Strunk to correct certain errors and flaws. *See* Cherokee Comments on Late Filed Exhibit, p. 2 (August 12, 2021).

Respectfully submitted,

s/John J. Pringle, Jr.

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